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All prices are in Canadian dollars unless otherwise noted.

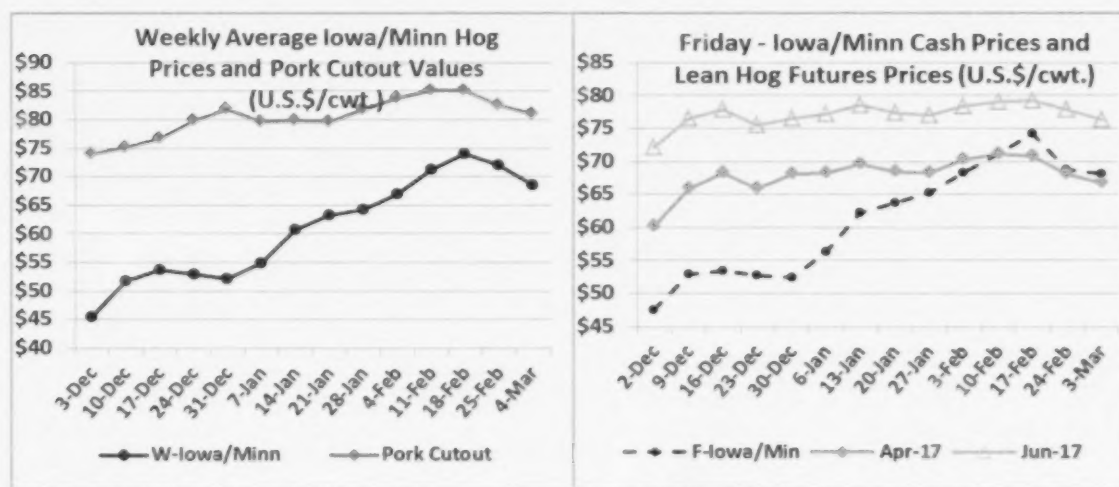
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Weekly Hog Report

March 6, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were lower last week. Hog prices on Friday March 3 averaged US\$68.12 per cwt, down US\$0.63 per cwt or 0.9 per cent from US\$68.75 per cwt the previous Friday. The negotiated weekly base price last week averaged US\$68.46 per cwt, down US\$3.59 per cwt or 5.0 per cent from US\$72.05 per cwt the previous week.



Source: LMIC

Source: LMIC, CME

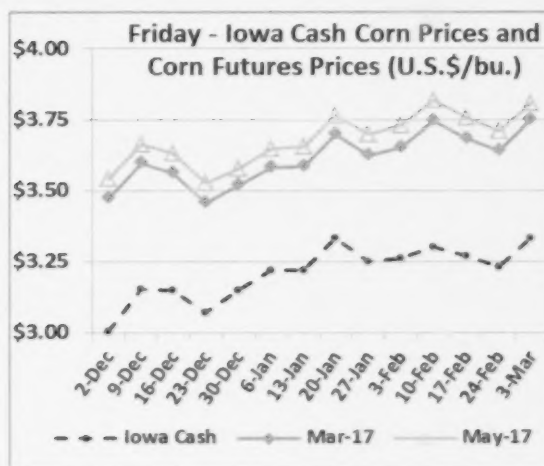
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday March 3, 2017 was \$171.95 per ckg, down \$3.15 per ckg or 1.8 per cent from \$175.10 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged \$171.69 per ckg, down \$6.37 per ckg or 3.6 per cent from the previous weeks' average price of \$178.06 per ckg. The Canadian dollar moved noticeably lower to settle Friday at 74.74 cents, down 1.54 cents from 76.28 cents the previous Friday.

Futures Markets

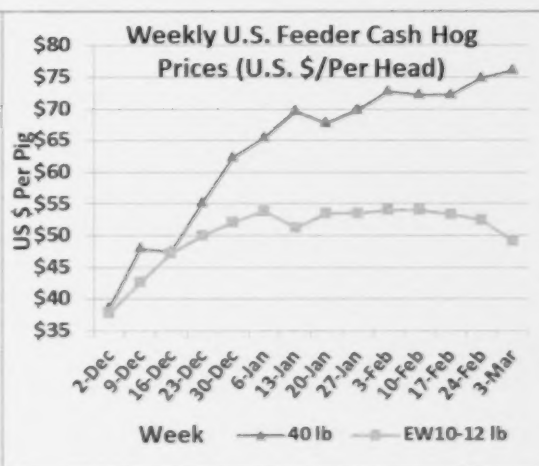
United States lean hog futures daily prices were mixed but mostly lower last week to end lower, week-over-week. The nearby April 2017 lean hog futures contract declined US\$1.275 per cwt last week to settle Friday at US\$66.750 per cwt; while the June 2017 lean hog futures contract declined US\$1.375 per cwt to settle last Friday at US\$76.450 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US\$49.06 per head, down US\$3.32 per cwt from US\$52.38 per head the previous week. Feeders (40lb) averaged US\$76.04 per head, up US\$1.26 per head from US\$74.78 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US\$3.33 per bushel, up ten cents from US\$3.23 per bushel the previous Friday. Daily corn futures were mixed last week with strong daily gains Tuesday and Wednesday to move prices higher, week-over-week. The March corn futures contract increased 10.8 cents to settle Friday at US\$3.74 3/4 per bushel, while the May 2017 corn contract increased ten cents per bushel to settle Friday at US\$3.80 3/4 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending March 4 were estimated at 2.311 million head, up 1.9 per cent from 2.268 million head the previous week, and up 3.9 per cent from 2.224 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.324 million head, up 3.3 per cent from 2.250 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Feb. 25, 2017 were estimated at 405,721 head, down 5.3 per cent from 428,471 head the previous week, and down 2.8 per cent from 417,258 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 431,687 head, up 4.4 per cent from 414,487 head over the same period a year ago. Year-to-date, for the first eight weeks of 2017 Canadian hog slaughter numbers totaled 3,437,634 head, up 0.3 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending March 4, 2017 was estimated at 490.5 million lb., up 1.2 per cent from 484.5 million lb. the previous week, and up 3.7 per cent from 473.2 million lb. the same week a year ago. Pork production over the last four week's ending March 4 was estimated to average 494.0 million lb., up 3.3 per cent from 478.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending March 4 was estimated at 475.9 million lb., up 1.1 per cent from 470.7 million lb. the previous week, and up 6.9 per cent from 445.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending February 25, 2017, was estimated to average 2.084 billion lb., up 3.3 per cent from 2.019 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 1.3 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Feb. 25) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	475.6	494.8	4.1%	1.1%
Beef	443.3	476.3	7.4%	4.0%
Chicken	974.6	983.3	0.9%	0.5%
Turkey	125.1	130.1	4.1%	-0.6%
Total	2,018.5	2,084.5	3.27%	1.33%

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending March 4, 2017 averaged US\$80.96 per cwt, down US\$1.52 per cwt or 1.8 per cent from US\$82.48 per cwt the previous week, but up 7.6 per cent from US\$75.24 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending March 4, 2017 averaged US\$205.84 per cwt over the week, up US\$11.36 per cwt or 5.8 per cent from US\$194.48 per cwt the previous week, but down 6.1 per cent from US\$219.22 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending March 4, 2017 averaged US\$121.67 per cwt, up US\$6.29 per cwt or 5.5 per cent from US\$115.38 per cwt the previous week, and up 19.3 per cent from US\$101.99 per cwt the same week a year ago.

Canadian Hog Inventory

Statistics Canada released the January 1, 2017 hog inventory numbers last week. Total inventory of hogs in Canada for January 1, 2017, was estimated to be 13,725,000 head, up 1.6 per cent from 13,510,000 head on January 1, 2016. The Canadian market herd inventory on January 1, 2017, was estimated at 12,473,900 head, up 1.6 per cent from 12,273,500 head on January 1, 2016. Market inventory numbers are higher for the under 7 kg., 23 to 53 kg., and 54 to 80 kg. weight classes from a year ago.

The Canadian breeding herd, consisting of sows and bred gilts, was estimated at 1,227,800 head on January 1, 2017, up 1.2 per cent from 1,213,300 head on January 1, 2016. (Source: Statistics Canada)

In Saskatchewan, total hog inventory as of January 1, 2017, was estimated at 1,190,000 head, up 1.3 per cent from 1,175,000 head on January 1, 2016. The market herd inventory on January 1, 2017, was estimated at 1,086,800 head, up 1.5 per cent from 1,071,100 head on January 1, 2016. Sow and bred gilt inventory as of January 1, 2017, was 100,300 head, down 0.7 per cent from 101,000 head a year ago.

According to Statistics Canada data, the total number of pigs born in Canada during the second half (July-to-December) of 2016 was estimated at 16,225,000 head, down 0.5 per cent from 16,310,100 pigs born during the second half of 2015. In Saskatchewan the number of pigs born in the second half of 2016 was estimated at 1,289,100 head, down 4.1 per cent from 1,344,400 pigs born in the second half of 2015.

In Canada, the number of sows bred to farrow in the first half (January-to-June) of 2017 is estimated at 1,272,300 head, down 0.3 per cent from 1,276,700 head over the same period (first half) in 2016. In Saskatchewan, the number of sows bred to farrow in the first half of 2017 is estimated at 107,300 head, unchanged from 107,300 head during the first half of 2016. Breeding indications are projecting steady to small declines in the Canadian hog industry for 2017.

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